

Bureau of Land Management, Interior

§ 3513.15

**SPECIAL CIRCUMSTANCES AND
OBLIGATIONS**

§ 3512.18 Will BLM approve my assignment or sublease if I have outstanding liabilities?

Before we will approve your assignment of a permit or lease, your account must be in good standing. We will also approve the assignment if the assignee and his or her surety provides written acceptance of your outstanding liabilities under the permit or lease. In addition, the assignee must either furnish a new bond equivalent to your existing bond or obtain consent of the surety on your bond to substitute the assignee as the principal.

§ 3512.19 Must I notify BLM if I intend to transfer an overriding royalty to another party?

Yes. Although we do not approve these transfers, you must file all overriding royalty interest transfers with the BLM within 90 days from the date of execution. Include the transferees's statement of qualifications required in subpart 3502 of this part and the \$25 filing fee.

**EFFECT OF ASSIGNMENTS ON YOUR
OBLIGATIONS**

§ 3512.25 If I assign my permit or lease, when do my obligations under the permit or lease end?

You and your surety remain responsible for the performance of all obligations under the permit or lease until the date we approve the assignment. You will continue to be responsible for obligations that accrued prior to the date of our approval of the assignment, whether or not they were identified at the time of the transfer.

§ 3512.30 What are the responsibilities of a sublessor and a sublessee?

After BLM's approval of a sublease becomes effective, the sublessor and sublessee are jointly and severably liable for performance of all obligations under the permit or lease.

§ 3512.33 Does an assignment or sublease alter the permit or lease terms?

No, it does not alter permit or lease terms.

Subpart 3513—Waiver, Suspension or Reduction of Rental and Minimum Royalties

RENTAL AND ROYALTY REDUCTIONS

§ 3513.11 May BLM relieve me of the lease requirements of rental, minimum royalty, or production royalty while continuing to hold the lease?

Yes. BLM has a process which may allow you temporary relief from these lease requirements.

§ 3513.12 What criteria does BLM consider in approving a waiver, suspension, or reduction in rental or minimum royalty, or a reduction in the royalty rate?

We will consider if approval:

- (a) Is in the interest of conservation;
- (b) Will encourage the greatest ultimate recovery of the resource; and
- (c) Is necessary either to promote development of the mineral resources or because you cannot successfully operate the lease under existing terms.

§ 3513.15 How do I apply for reduction of rental, royalties or minimum production?

You must send us two copies of your application with the following information for all leases involved:

- (a) The serial numbers;
- (b) The name of the record title holder(s);
- (c) The name of the operator and operating rights owners if different from the record title holder(s);
- (d) A description of the lands by legal subdivision;
- (e) A map showing the serial number and location of each mine or excavation and the extent of the mining operations;
- (f) A tabulated statement of the leasable minerals mined for each month covering at least the last twelve months before you filed your application, and the average production mined per day for each month;
- (g) If you are applying for relief from the minimum production requirement, complete information as to why you did not attain the minimum production;
- (h) A detailed statement of expenses and costs of operating the entire lease,